

2020

# Mid-Year Report

HARLEQUIN PRODUCTIONS

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# Mid-Year Report

## \$1.501M

BALANCE SHEET YTD

## 30.6%

INCREASE OVER 2019

## \$124,738

NET INCOME YTD

## 208.3%

INCREASE OVER 2019



COMPLETED: THE FIRST  
FINANCIAL AUDIT IN  
THE ORGANIZATION'S  
29 YEAR HISTORY

The first half of 2020 saw a 29.0% increase in total revenue over 2019, including a 19.4% increase in ticket sales. The latter number is remarkable, since we only produced two plays during that time (as opposed to 3.5 in 2019), and have had to refund a number of tickets due to the COVID-19 closure. Philanthropy is up 30.3%, with individual giving up 87.0%, due in part but not entirely to the COVID-19 closure.

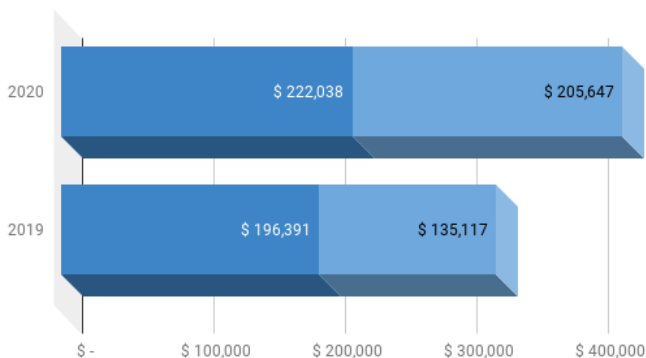
The beginning of Q1 2020 started with carrying over a large deficit from our 2019 season. This deficit arose for two main reasons: a dip in philanthropy and in ticket sales, and the under-performance of 3 productions: *Love and Information*, *A Doll's House*, and *Blackbird*. We believe that two key factors gave rise to these deficit reasons: the 2019 season was the first year after a major leadership change, and the 2019 season was planned prior to the change, so unable to take these audience changes into account.

Further, the company made a new commitment to pay living wages to artists and employees, including adopting a contract with the Actors' Equity Association (AEA), the union of professional actors and stage managers. While a major step forward, this decision added to the shortfall on the balance sheet at the end of 2019, but never impacted our ability to produce quality work.

For these reasons, moving into 2020, we had planned programming, initiatives, and austerity measures designed to act as a course correct. We knew that living wages would have a higher up-front impact, so focused our efforts on programming more popular (yet still challenging) work, and focusing on budgetary spending efficiencies.

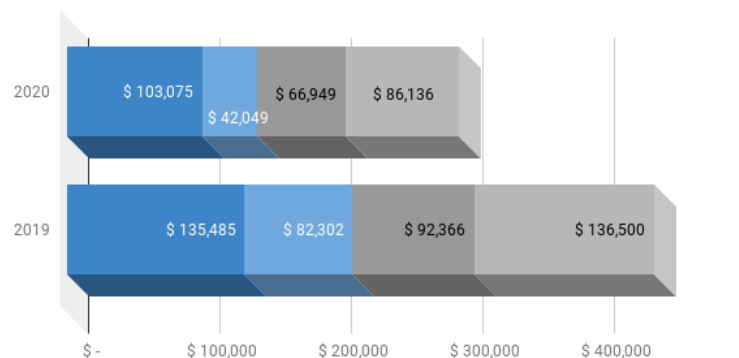
TOTAL REVENUE Q1-Q2

■ EARNED ■ CONTRIBUTED



TOTAL EXPENSES Q1-Q2

■ PRODUCTION ■ PRODUCTION PAYROLL ■ ADMINISTRATIVE ■ ADMIN PAYROLL



# Mid-Year Report

**\$1 → \$2.03**

THURSTON EDC ECONOMIC IMPACT REPORT

**\$208,843**

CASH ON HAND

**1979.5%**

INCREASE OVER 2019

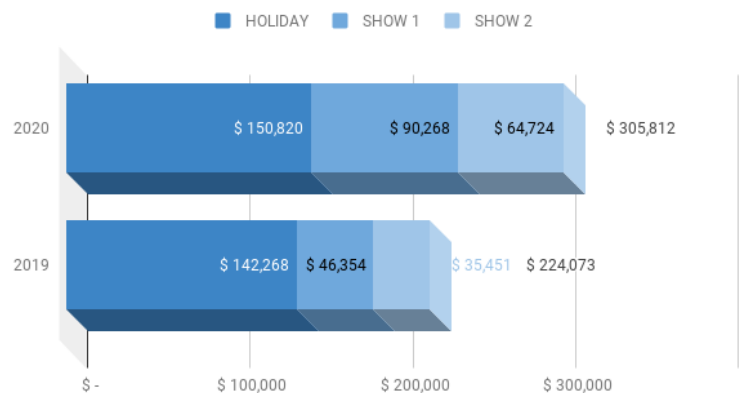
Our efforts paid off. We had a stellar Q1 and were able to erase the deficit, and while other non-profits have had difficult budgetary decisions to make with the immediate impact of COVID-19, the effect on Harlequin was that it created further economies, which have improved our financial outlook even more.

Expenses are down 33.2%, with a portion of this contributed to our closure from COVID-19: the financial position carried over from 2019 made it necessary to furlough nearly all staff in mid-March, keeping only 1 FTE (divided by three positions) on payroll, with Artistic and Finance directors (full- and half-time, respectively) working on a volunteer basis. We immediately stopped production and all other activities except for some light fundraising and the base essentials to keep us operational.

These closures entitled us to an insurance claim in the amount of \$30,000. In addition, the City of Olympia was able to award us the balance of our Lodging Tax (LTAC) disbursement on an unrestricted basis (\$25,497). We received the Economic Injury Disaster Loan (EIDL) in the amount of \$150,000 with an additional \$10,000 advance, and in June we receive a Payroll Protection Plan loan (PPP) for \$96,250. Because we had to furlough staff immediately upon closure, we waited to apply for the PPP loan so we wouldn't be paying staff when we weren't able to be operational. With this timing, the PPP funds could be used to bring staff back for a restart (pending restart date).

This relief, coupled with the early success of the 2020 season, and our quick action at the start of the COVID-19 closure has allowed us to accomplish a few key things: 1) we have paid down all accounts payable; 2) all

HOLIDAY + FIRST TWO SHOWS



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short-term liabilities have been paid off, or converted to long-term (mostly low-interest) debt; and 3) we have build-up cash reserves in the amount of \$208,843.

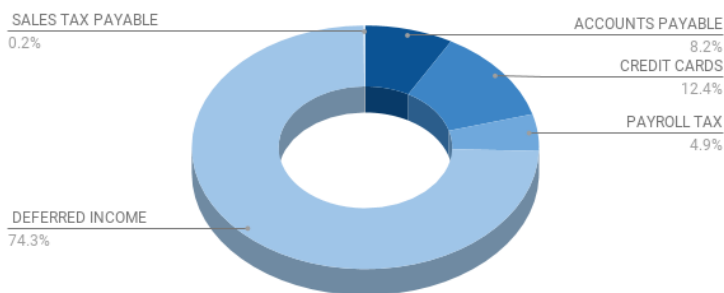
Key accomplishments for this period include:

1. an economic impact study showing \$2.03 dollars returned to the community for every \$1 spent at Harlequin;
2. the first financial audit of the organization in 29 years with no findings; and
3. the completion of a Case Study for a Capital Campaign, the award of \$85,000 from the state commerce budget for feasibility and engineering studies, and the commencement of these studies.

We are currently planning to restart operations with our holiday show in November of this year, however we are watching the situation closely. Our decision to open will be based on science, and the health and safety of our patrons, artists, and workers. It is important to note that AEA has only approved 2 theatres in the country to produce work at this time, both in Massachusetts. Most Seattle areas theatres are not practically planning to

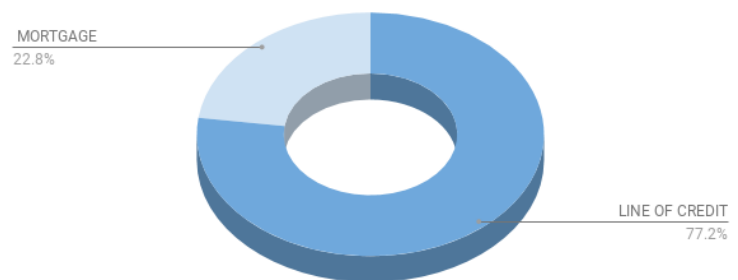
## 2019 SHORT-TERM LIABILITIES

\$253,709 TOTAL



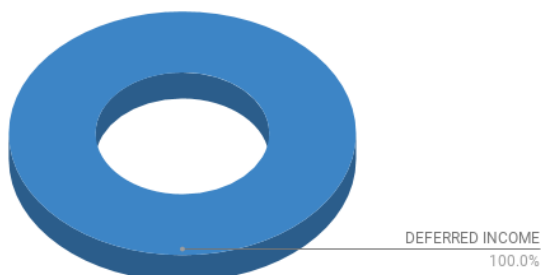
## 2019 LONG-TERM LIABILITIES

\$121,310 TOTAL



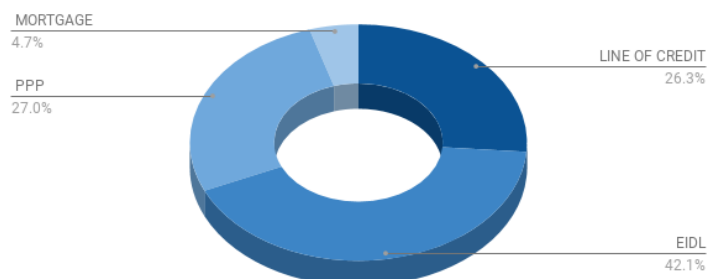
## 2020 SHORT-TERM LIABILITIES

\$134,279 TOTAL



## 2020 LONG-TERM LIABILITIES

\$356,597





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open until Spring or Fall of 2021. We are currently working closely with The Washington Center to create a safety plan that can serve all Olympia theaters, and are working with the AEA to devise a safety plan that will allow us to rehearse work in a safe and responsible manner. We are anticipating the need for audiences to social distance, reducing our house capacity to around 50. To mitigate this we are working with theatrical rights holders, the AEA, and local videographers to allow streaming opportunities for our Winter and Spring offerings. We plan to announce a 2021 season in the Fall of this year. In planning and budgeting for the 2021 season, we are conservatively anticipating a minimum 20% contraction in both earned and unearned income.

Outside the realm of financials and COVID-19, we are working with the Theatre Communications Group (TCG), our national advocacy and affinity group, as well as a Seattle area Artistic Directors' Affinity Group to help ensure that we have BIPOC (Black, Indigenous, and Persons of Color) voices on our stage, as well as helping to shape the dialogue that determines our course.

Considering all of the above, we are confident that while the future is complicated, we are fortified and well positioned to weather the storm. We feel we will emerge strong, healthy, and ready for whatever the next phase holds.



Aaron Lamb  
*Artistic Director*



Hap Clemons  
*Managing Director*

Joe Hyer  
*Finance Director*



Jack Brotherton and John Serembe\* in *The Highest Tide*

*\*Member of the Actors' Equity Association, the union of professional actors and stage managers.*